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DE RUEHUJA #1555/01 2011229
ZNR UUUUU ZZH
R 201229Z JUL 07
FM AMEMBASSY ABUJA
TO RUEHC/SECSTATE WASHDC 0313
INFO RUEHOS/AMCONSUL LAGOS 7442
RUEHNY/AMEMBASSY OSLO 0034
RUCPDO/DEPT OF COMMERCE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RHEBAAA/DEPT OF ENERGY WASHINGTON DC

UNCLAS ABUJA 001555

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TREASURY FOR DPETERS
USDOC FOR USDOC FOR 3317/ITA/OA/KBURRESS
USDOC FOR 3130/USFC/OIO/ANESA/DHARRIS
ENERGY FOR CAROLYN GAY

E.O. 12958: N/A

TAGS: [EPET](#) [EAID](#) [PHUM](#) [EITI](#) [NI](#)

SUBJECT: NORWEGIAN TECHNICAL ASSISTANCE IN OIL SECTOR

¶1. (SBU) Summary: Norway has an MOU with the Nigerian Government to provide technical assistance in the oil sector to make available Norway's experience and expertise as an oil producing nation in managing the resource for national benefit. The framework includes public/private institutional cooperation. The program is overseen by a Counselor for Petroleum Cooperation who splits his time between Nigeria and Angola. The key areas of cooperation in the Public Sector are policy and resource Management, Petroleum Activity monitoring, metering, Data management, Environmental and Safety Issues, Deepwater Technology, Training. The Private sector program includes enhancing local content and technology seminars. In addition, Norway is active in supporting the Extractive Industries Transparency Initiative (EITI), the Voluntary Principles Task for and the Gulf of Guinea Energy Security Strategy (GGESS). Norway sees the EITI as key to making progress, but finds its efforts are resisted by GON Petroleum officials and governors, but supported by the Finance Ministry and EFCC. End Summary.

¶2. (U) On June 28, the Norwegian Ambassador briefed the Ambassador on the Norwegian government's oil sector assistance in Nigeria. Since 2000 Norway has had an MOU with the Nigerian Government to provide technical assistance in the oil sector. The Norwegian government assistance is mainly provided through the Nigerian Department of Petroleum Resources (DPR), based in Lagos. The key goal of the technical assistance is to make available Norway's experience and expertise as an oil producing nation in managing petroleum resources for national benefit. The program is overseen by a Counselor for Petroleum Cooperation who splits his time between Nigeria and Angola. The key areas of cooperation in the Public Sector are policy and resource Management, Petroleum Activity monitoring, metering, Data management, Environmental and Safety Issues, Deepwater Technology, Training. Norway wants to expand the effort to include working with the Ministry of Finance and other bodies on petroleum revenue management issues. They also are increasing their activity on environmental protection have an MOU with the Ministry of Environment.

¶3. (U) The framework also includes public/private institutional cooperation, which on the Nigerian side involves INTSOK a private consortium that includes the Norwegian government, Statoil and

Hydro, and major oil services companies. The focus of this program in Nigeria is enhancing local content in the upstream oil and gas industry. The second major activity is providing technical seminars in areas where Norwegian companies have significant expertise.

¶4. (SBU) The National Planning Commission has been trying to persuade Norway to get involved in development issues in the Niger Delta. While Norway is doing some things there via UNDP, Norway shares the concerns of other donors that governance issues make real assistance in the region hard to manage effectively. Nonetheless Norway is very interested in increasing its development work and is preparing a new program called Oil for Development to focus more tightly on how to use oil resources to promote broader improvements in the welfare of the populations. Norway sees participation in the EITI as key for countries that want to be part of this new program. Norway also is active in multilateral efforts of the Voluntary Principles Task Force and the Gulf of Guinea Energy Security Strategy (GGESS).

NEITI

¶5. (SBU) Norway is active in supporting the Extractive Industries Transparency Initiative (EITI), and the Nigerian program (NEITI) specifically. NEITI has requested assistance in several areas from Norway. One proposal was to look at metering at wellheads, but the project is not going anywhere because Nigerian Petroleum officials say that that is not feasible. NEITI has asked for assistance to the Federal Internal Revenue Service (FIRS) and the Accountant General to set up processes to better account for and track petroleum taxes. NEITI would like to make the process for oil block licensing more transparent and has also asked Norway to provide salary support for NEITI staff.

¶6. (SBU) The Norwegians report that the DPR is not supportive of the NEITI proposals and that the Nigerian National Petroleum Corporation and the Delta Governors tend to be obstructive. The EFCC has been one of the NEITI's allies on these proposals. For the moment it is not clear who is in charge of the NEITI. Former Education Minister Obi Ezewiskili left for the World Bank, and no new head has been named. Special Advisor to the Minister of Finance Bright Okugu had been in charge of day to day work, but he too has left and not been replaced. The current acting official is Stan Werri. The Norwegians believe that President Yar'Adua will need to support NEITI if he is going to affect political change and get control of key levers of Nigerian power politics.

GRIBBIN